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Presented by  
U.S. DEPARTMENT OF AGRICULTURE and  
N.B.C. NETWORK Coast to Coast

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# "Consumer Time"

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## SATURDAYS

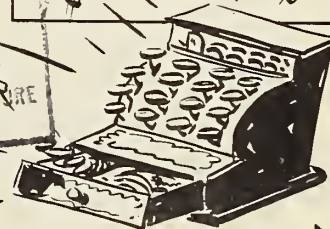
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### THE CONSUMER LOOKS AT PRICE SUPPORTS

May 24, 1947

MAY 19 1947

U. S. DEPARTMENT OF AGRICULTURE



1. SOUND: CASH REGISTER RINGS TWICE...MONEY IN TILL
2. JOHN: It's CONSUMER TIME!
3. SOUND: CASH REGISTER...CLOSE DRAWER
4. ANNCR: During the next fifteen minutes, the National Broadcasting Company and its affiliated independent stations make their facilities available for the presentation of CONSUMER TIME by the U. S. Department of Agriculture. And here are your inquiring consumers, Mrs. Freyman and Johnny.
5. JOHN: Today we're going to look into the price of food.
6. FREYMAN: (INDIGNANT) Exhibit A...my food bill for this week. And as an average consumer, I want to know why I'm paying so much for food. Is it true that the Government is paying farmers to destroy potatoes?
7. JOHN: No, ma'am!
8. FREYMAN: Is it true that the Government buys everything from wheat to string beans to keep the prices up?



9. JOHN: No, ma'am!
10. FREYMAN: Well, then, what is this price support program anyway... and how does it affect me? And Johnny...you'd better know the answers...because I bet a lot of our listeners are wondering just the way I am.
11. JOHN: Well, Mrs. Freyman...there's been a lot of misunderstanding on this subject. But I've been buzzing around the Department of Agriculture this week...getting ready for this program. And I understand price supports and parity and all that now...I think.
12. FREYMAN: Oh mercy! Is all that tied up with my weekly food bill?
13. MUSIC: "WHISPERING"(MINOR KEY) SNEAK IT INTO BG OF NEXT SPEECH
14. JOHN: Yes and no...let's get some background on the price support program. Let's go back to 1920-21. The hit song was "Whispering" then. But people weren't whispering about what happened to farm prices. Farm prices crashed...they dropped about fifty percent in less than a year.
15. MUSIC: CRASH EFFECT AND OUT.
16. JOHN: The bottom fell out of the farmers' market...and out of his world. Bankruptcy and chaos hit the American farms... and started the downward spiral in our whole economy that ended in depression.
17. SOUND: AUCTIONEER'S GAVEL
18. AUCTIONEER: What am I offered for this fine grain binder, gentlemen? It's just one of the fine pieces on this foreclosed farm. Everything must be sold under the hammer today. You've had a chance to examine the grain binder and see what a fine piece of equipment it is. All right, sir, what's your bid?
19. JOHN: (OFF MIKE) Thirty dollars!



20. AUCTIONEER: Thirty dollars...surely you jest, my good sir. That's a mere trifling fraction of the worth of this fine piece of equipment. But thirty dollars will do as a start...because everything on this farm must be sold today. Thirty dollars is the bid. Will someone make it forty...come on now gentlemen...let's hear forty as the next bid...will someone make it forty? (PAUSE) Thirty-five...do I hear someone say thirty-five? Come, gentlemen, this grain binder is a steal at thirty-five. Well...thirty's our last bid...do I hear thirty-two? Thirty-one? Going once for thirty dollars...going twice...
21. SOUND: GAVEL
22. AUCTIONEER: Sold to the gentleman for thirty dollars...a bargain! A real bargain! (LOWERS VOICE) Quick...what's the next item? (RAISES VOICE AGAIN) Ah yes...a fine antique rocking chair ...been in family for generations. I personally know that the owner of this chair was offered fifty dollars for it by an antique dealer last summer. Now...what am I offered?
23. JOHN: (OFF MIKE) One dollar!
24. AUCTIONEER: One dollar...surely we can do better than that with this fine rocking chair...do I hear five dollars? How about it gentlemen? You know only dire circumstances would make the owners sell this fine piece of furniture....
25. JOHN: A dollar and a half!
26. AUCTIONEER: Now we're getting some place...a dollar and a half. Will someone offer me two dollars? (FADE) Going once for a dollar and a half...going twice...sold!...
27. FREYMAN: Those were pretty lean days for the farmers back in 1920 and 21, Johnny.

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28. JOHN: Yes, Mrs. Freyman, years that weren't easily forgotten. We learned a lesson then of what crashing prices for the farmers can mean to our whole economy. But of course when the Second World War came...we had to increase our food production. We needed food...and lots of it.
29. FREYMAN: And we got it too, Johnny...to the tune of slogans like "Food Will Win the War."
30. JOHN: Slogans...and a lot of hard work down on the farm. By 1942 ... our food production was way greater than it was before the war. We were producing one-third more food than ever before. But were we building our agriculture to take a tumble again like after the last war? Congress decided to give the farmers some kind of protection.
31. CONGRESSMAN: For the good of the whole American economy...farmers must have some kind of adjustment. Industry has been given certain protections. The farmers are entitled to the same type of adjustment from wartime to peacetime production of food. Seasonal cycles mean you can't cut farm production by pulling a lever and stopping some machinery. We've got to remember the lesson we learned the hard way after the last war. Without/<sup>the</sup>guarantee of price supports, farmers cannot and will not keep up record levels of food production. We've got to act now!
32. JOHN: And act they did! The law was passed guaranteeing farmers ninety percent of parity for two full calendar years after the end of hostilities. So this legislation is on the books until the end of 1948...for basic commodities like wheat, corn, cotton. And the Steagall amendment covers other commodities that...

1. The first part of the report is a summary of the work done during the year.

2. The second part is a detailed account of the work done during the year.

3. The third part is a summary of the work done during the year.

4. The fourth part is a summary of the work done during the year.

5. The fifth part is a summary of the work done during the year.

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11. The eleventh part is a summary of the work done during the year.

12. The twelfth part is a summary of the work done during the year.

13. The thirteenth part is a summary of the work done during the year.

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23. The twenty-third part is a summary of the work done during the year.

24. The twenty-fourth part is a summary of the work done during the year.

25. The twenty-fifth part is a summary of the work done during the year.

26. The twenty-sixth part is a summary of the work done during the year.

27. The twenty-seventh part is a summary of the work done during the year.

28. The twenty-eighth part is a summary of the work done during the year.

29. The twenty-ninth part is a summary of the work done during the year.

30. The thirtieth part is a summary of the work done during the year.

33. FREYMAN: (INTERRUPTS) Now wait a minute, Johnny...I've been keeping up with you so far. But I have no idea in the world what you mean by "parity."
34. JOHN: Well, the dictionary definition says that a parity price is one which will give a commodity the same purchasing power it had in a certain base period. Does that help?
35. FREYMAN: Mmm hnn. But what do you mean by "parity"?
36. JOHN: (LAUGHS) Let's put it this way. If a farmer could buy a pair of shoes with the money he received for selling three bushels of wheat during the years 1909 to 14...that's called the base period...and if he can still buy a pair of shoes of the same quality today with the money he gets from selling three bushels of wheat...then he's getting a parity price for his wheat today.
37. FREYMAN: I see. And if he couldn't buy the shoes with the money from the wheat...
38. JOHN: Then the law says the U. S. Department of Agriculture must step in to keep the price of wheat up ' close to that so-called parity level.
39. FREYMAN: So that's price support! And that brings us back to my original question. Is the Government's price support program adding to the high cost of living...especially my food bill?
40. JOHN: Well, let's see just how we stand with price support today. Remember that on certain items the law says the Government must see that the price the farmer gets is at least ninety percent of parity. If the farmer is getting<sup>a</sup>/higher price than ninety percent of parity...there is no need for price support. So let's see what the farmer is getting for his wheat today.

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41. MAN: The price of wheat is 118 percent of parity. No price support necessary until it drops to 90 percent.
42. MUSIC: EMPHATIC CHORD - BUILD TO CRESCENDO
43. JOHN: Rice!
44. MAN: The price is 125 percent of parity. No price support necessary until it drops to 90 percent.
45. MUSIC: CHORD
46. JOHN: Beans!
47. MAN: Way above parity...159 percent.
48. MUSIC: CHORD
49. JOHN: Hogs!
50. MAN: Way above parity...146 percent.
51. MUSIC: CHORD
52. JOHN: Beef cattle!
53. MAN: 146 percent.
54. JOHN: Lambs!
55. MAN: 145 percent.
56. MUSIC: CHORD
57. JOHN: Milk!
58. MAN: 120 percent of the parity price. All those foods are way above price support levels.
59. MUSIC: CRESCENDO AND OUT
60. JOHN: Forgetting potatoes for a minute...you can see from those figures, Mrs. Freyman, that saying that the price support program is keeping up the cost of living...is nonsense. Because the farm prices for almost all foods are way above the level that the law says is the lowest they can go.
61. FREYMAN: In other words...the whole question of price support is academic.



62. JOHN: Huh? Now you've got me stumped.
63. FREYMAN: I mean...discussing price supports at this time is beside the point...because in general they aren't actually in effect.
64. JOHN: Now you're talking my language. And that's exactly right. You've got to look some place else for the high cost of living. Price supports just aren't the culprit.
65. FREYMAN: But how about potatoes? You can't dismiss them with a phrase, the way you just did.
66. JOHN: Well, potatoes are the big exception in the price support picture. The price of potatoes has been lower than the law says it should be. And so the Department of Agriculture has had to take steps to support the price.
67. FREYMAN: Well, then on potatoes...which is a big item in a food budget...the price has been kept up.
68. JOHN: Now wait a minute. Let's get the facts again. You may think potatoes are a big item in your food budget, Mrs. Freyman. But they're really a small fraction of the cost of living. The urban consumer, with an average income, spends only four cents for potatoes for every dollar he spends for other foods.
69. FREYMAN: Well! Then potatoes aren't really such a big item after all.
70. JOHN: That's right. So supporting the price on them added only very slightly to the cost of living. And of course the reason why the farm price for potatoes tumbled below the support price level in the beginning...was overproduction.
71. FREYMAN: Well...why did we have overproduction on potatoes?
72. JOHN: Why? The farmers can tell you the reason for that.

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73. FARMER:           Yep, we've got lots of potatoes. And the reasons for it are pretty clear...ideal growing weather...plenty of fertilizer...and plenty of that new DDT to kill off the bugs.
74. JOHN:             And the combined result was a surplus of around one hundred million bushels of potatoes more than we can normally use.
75. FREYMAN:          Goodness...that's an awful lot of potatoes, Johnny. What are we doing with all those extras?
76. JOHN:             The law requires the Department of Agriculture to take a large part of the surplus potatoes off the market to protect the farm prices in this emergency. But it doesn't pay farmers to destroy them.
77. FREYMAN:          But what happens when they're taken off the market? That's what I want to know?
78. JOHN:             The potatoes were distributed for school lunches and to public institutions. Millions of bushels went into the manufacture of starch and alcohol. Large amounts of potatoes have been used as livestock feed. And we've even exported ten million bushels of potatoes...although potatoes aren't very easy to ship...since they're ninety percent water. It's true, of course, that some of this large volume of surplus potatoes spoiled, and could not be used at all.
79. FREYMAN:          Will we have to go through all that again, I wonder, if we have another big crop of potatoes this year?
80. JOHN:             Well, this year...farmers won't qualify for price support if they plant more potatoes than their goals call for. And that's about the whole story on price support, Mrs. Freyman.

The first part of the report is devoted to a description of the work done during the year. It is divided into two main sections: the first dealing with the work done in the laboratory and the second dealing with the work done in the field.

The work done in the laboratory is described in detail in the first section. It includes a description of the apparatus used, the methods employed, and the results obtained. The work done in the field is described in detail in the second section. It includes a description of the localities visited, the methods employed, and the results obtained.

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81. FREYMAN: But that's not the end of my questions, Johnny. If the price support program isn't keeping the consumers' food prices up...what is?
82. JOHN: Those old devils...supply and demand. We've had record food production...but the demand for food has even outrun it. People can afford to buy more and they are buying more food than back in pre-war days.
83. FREYMAN: I guess that's right. I can remember back in '39 and '40. Wasn't it said that something like one-third of our population was ill-fed? And there was a stamp plan for buying food. I remember.
84. JOHN: But now, low-income families are spending more for food. And that's one of the biggest reasons the demand has shot up. Of course, that's a good thing from many points of view. But it has tended to hold prices up. And then there is all the unsatisfied demand for manufactured goods.
85. FREYMAN: Like automobiles...and washing machines...
86. JOHN: Mmm hnn...and building materials. So, since people can't spend money for these yet, they have more money to spend for food.
87. FREYMAN: How about the food we're selling overseas? Is that keeping prices up?
88. JOHN: That's part of the demand for food...so of course it's affected prices. But when you think of the need for food abroad...it kind of pushes the question of prices into the background. We have a selfish interest in bringing the greatest degree of stability to the world.
89. FREYMAN: Yes...and I guess the food we're exporting has a lot to do with the kind of world our children will be facing as adults.

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90. JOHN: That's the idea. But when you get right down to it... the only big item we're exporting is grain. At least eighty percent of our exports this year will be grain.
91. FREYMAN: But will we have enough grain for here at home?
92. JOHN: Absolutely. The experts say...
93. MAN: Another all-record wheat crop is expected this year.
94. JOHN: And as far as our other exports go. Well, only a very tiny fraction of our meat is exported. Meanwhile of course, we're importing a good share of our sugar and we're importing more fats and oils than we export.
95. FREYMAN: I think there's one more question on the price of food.
96. JOHN: I know...I know..."What about bringing prices down?"
97. FREYMAN: That's right. And what about it?
98. JOHN: Well...everybody's agreed that all-out food production is the surest answer. And of course we have to ship abroad all we can spare to do the important job of reconstruction. But meanwhile, the farmers are giving us all-out production, and that brings us right back to price supports.
99. FREYMAN: As protection for the farmer.
100. JOHN: That's right...because we don't want a repeat performance of what happened after the first World War...crashing farm prices...starting the downward trend that leads to that word we don't like...depression.
101. FREYMAN: One more question, Johnny. I know I've asked a lot of them today. But this is a pretty complicated subject.
102. JOHN: Sure is. Go ahead.



103. FREYMAN: Well, why do farm prices affect our whole economy? You've said that a couple of times. Something about farm prices crashed...and started the downward spiral of our economy.
104. JOHN: Well, it would be just like back in the twenties. The farmer is one of our big customer groups. Farm prices drop ...he's bankrupt...and we all suffer. Because how much buying do you suppose the farmer does then? Not very much ...and you begin to hear the first strains of depression.
105. MUSIC: " I CAN'T GIVE YOU ANYTHING BUT LOVE BABY!" KEEP IN BG
106. JOHN: And in the big mail order houses, you hear something like this...
107. MAN: Shoe sales...dropping. We'll have to cut our purchases of shoes in half.
108. JOHN: And at the shoe factory...and the other factories...as more cancellation orders come in, some of the machinery slows down. And some stops altogether.
109. MAN: No jobs today, sorry...
110. SOUND: DOOR SLAMS
111. MAN: Okay, bud. On your way. No jobs here.
112. JOHN: (OFF MIKE) Sorry no openings.
113. MAN: No jobs...no jobs...no jobs...no jobs.
114. MUSIC: DROWNS HIM OUT WITH "BROTHER CAN YOU SPARE A DIME?"
115. JOHN: The farmer is one of the big customers for manufactured goods. So you see, Mrs. Freyman, when he stops buying... it's bound to affect the city factory worker.
116. FREYMAN: And our whole economy. Yes...I see it now, Johnny. And I see why the farmer needs price support...and why it's important to consumers that he gets that protection.



117. JOHN: Right. Price supports eliminate the farmer's risks. He can safely go ahead with all-out production of food. He has the Government's assurance that high levels of production <sup>not</sup> will/bring prices down so far down that they will ruin him.
118. MUSIC: BRIDGE
119. JOHN: And now, Mrs. Freyman...what's on CONSUMER TIME next week?
120. FREYMAN: Well, the time has come for many young people to start thinking about working on farms this summer.
121. JOHN: Victory Farm Volunteers?
122. FREYMAN: That's right. Lots of city boys and girls will be helping out as Victory Farm Volunteers just as they have been doing for the past four summers.
123. JOHN: They're still needed then...even in peacetime?
124. FREYMAN: Absolutely. We'll find out why next week. And we'll also hear about all the advantages of working on a farm for husky young people.
125. JOHN: Fine...we've got a date with the Victory Farm Volunteers... next week on
126. SOUND: CASH REGISTER
127. ANNCR: CONSUMER TIME!
128. SOUND: CASH REGISTER...CLOSE DRAWER
129. ANNCR: CONSUMER TIME written by Eleanor Miller and directed by Frederick Schweikher, is presented by the U. S. Department of Agriculture, through the facilities of the National Broadcasting Company and its affiliated independent stations. CONSUMER TIME originates in Washington, D. C.

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